

News Release
U.S. Department of Justice
United States Attorney
District of Rhode Island



June 23, 2004

Grand jury indicts Westerly auto dealer on money laundering charges, seeks forfeiture of cars and business

Renato M. Garcia, owner of Renskip Motor Sales, is accused of structuring cash transactions

A federal grand jury has charged **Renato M. Garcia**, 35, of East Haddam, Connecticut, on money laundering charges, alleging that he structured transactions that purportedly involved illicit property to avoid federal transaction reporting requirements. Federal agents and local police arrested Garcia last month at his Westerly dealership, Renskip Motor Sales, charging him with laundering money represented to him as being the proceeds of criminal activity.

The Office of the United States Attorney, Mark R. Trouville, Special Agent in Charge of the Drug Enforcement Administration, Joseph A. Galasso, Special Agent in Charge of the Internal Revenue Service, Criminal Investigations Division, Robin Avers, Special Agent in Charge of the Bureau of Immigration and Customs Enforcement, Westerly Police Chief Stephen Baker and Hopkinton Police Chief John Scuncio jointly announced a three-count indictment that was returned today in U.S. District Court, Providence.

The indictment also seeks the forfeiture of assets that the government alleges were used to facilitate money laundering, including Renskip Motor Sales, 150 South Main Street, real estate at 85 Main Street, Westerly, \$414,000 in cash, and 46 motor vehicles that were towed from Renskip when Garcia was arrested.

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Garcia has been detained at the Wyatt Federal Detention Center, Central Falls, since his arrest on May 25. He will be brought into U.S. District Court for arraignment on the indictment.

Garcia's arrest resulted from a multi-agency investigation by **Westerly** and **Hopkinton Police**, the **Drug Enforcement Administration** (DEA), the **Internal Revenue Service Criminal Investigations** (IRS-CI), and the **Bureau of Immigration and Customs Enforcement** (ICE). Investigators of the **Rhode Island Adult Correctional Institutions** and the **Rhode Island Division of Motor Vehicles, Enforcement Division** also participated in the investigation. It began in June 2003 when a Westerly detective advised DEA of suspicions he had about Garcia's purchase of the automobile dealership and of his transactions there.

According to an affidavit by a DEA agent in support of complaint that led to Garcia's arrest, on three occasions – March 6, March 20, and April 2 – Garcia sold motor vehicles for prices ranging from \$15,000 to \$17,500 in cash and on each occasion recorded the sale price as under \$10,000. Transactions of \$10,000 or more must be reported to the United States Government. On one of those occasions, according to the affidavit, Garcia noted that the cash the buyer had smelled like marijuana.

The indictment charges Garcia with three counts of money laundering, specifically, conducting financial transactions involving property represented as the proceeds of unlawful activity and structuring those transactions to avoid the \$10,000 federal reporting requirement. The indictment also alleges that the assets listed in the indictment were used to facilitate Garcia's money laundering activity.

An indictment is merely an allegation and a defendant is presumed innocent unless and until proven guilty.

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The statutory maximum penalty for each count of money laundering, upon conviction, is 20 years in federal prison and a fine of \$250,000 or twice the amount of gain or loss. Federal sentencing is determined on the basis of guidelines that rely on such factors as the specific nature of an offense and a defendant's criminal background, if any.

Assistant U.S. Attorneys Kenneth P. Madden Stephen G. Dambruch, and Assistant U.S. Attorney Michael P. Iannotti are prosecuting the case.

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